

**Village of Kinde
Kinde, MI**

Huron County

**FINANCIAL REPORT
January 31, 2005**

Auditing Procedures Report

Issued under P.A. 2 of 1988, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Village of Kinde	County Huron
Audit Date 1/31/05	Opinion Date 7/25/05	Date Accountant Report Submitted to State: 7/25/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

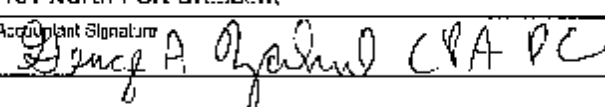
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1988, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 123.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).	✓		
Single Audit Reports (ASLBU).			✓

Certified Public Accountant (Firm Name) George A. Zahul CPA PC			
Street Address 101 North Port Crescent	City Bad Axe	State MI	ZIP 48413
Accountant Signature 			Date 7/25/05

George Zahul, CPA, PC
101 N Port Crescent St
Bad Axe, MI 48413

July 25, 2005

To the Village Board
Village of Kinde
Kinde, MI 48445

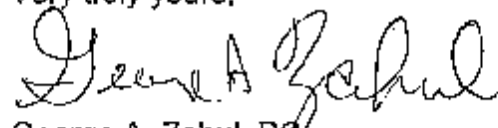
The following comments related to situations that came to my attention during the course of my recent examination of the Village of Kinde's financial statements as of and for the year ended June 30, 2005, and are submitted for your evaluation and consideration. I would like to emphasize that, since my examination was conducted for the purpose of expressing an opinion on the previously referred to financial statements, these comments are not necessarily all inclusive.

1. I found no situations that came to my attention during the course of my recent examination.

If you would need assistance in implementing the above, I would be happy to assist you.

I want to take this opportunity to thank the Board for selecting me to do your audit, and I want to thank the Village Officials for their help and assistance during the audit.

Very truly yours,



George A. Zahul, PC
Certified Public Accountant

Village of Kinde

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George Zahul, CPA, PC
101 N Port Crescent St
Bad Axe, MI 48413
989-269-9966

Independent Auditor's Report

To the Village Board
Village of Kinde
Kinde, MI 48445

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Village of Kinde's, as of and for the year ended January 31, 2005, which collectively comprise the Villages basic financial statements as listed in the table of contents. These financial statements are the responsibility of Village of Kinde's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Kinde as of January 31, 2005, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated July 25, 2005, on my consideration of the Village of Kinde's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Kinde. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

George A Zahul CPA PC

George Zahul, CPA, PC
July 25, 2005

George Zahul, CPA, PC

101 N Port Crescent St

Bad Axe, MI 48413

989-269-9966

**Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

To the Village Council
Village of Kinde
Kinde, MI 48445

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Village of Kinde as of and for the year ended January 31, 2005, which collectively comprise Village of Kinde's basic financial statements and have issued my report thereon dated July 25, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

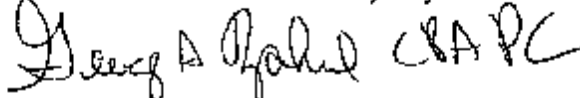
Compliance

As part of obtaining reasonable assurance about whether the Village of Kinde's general purpose financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance that I have reported to management of Village of Kinde, in a separate letter dated July 25, 2005.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Kinde's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Village Council, the State of Michigan, and the United States Department of Agriculture Rural Development and is not intended to be and should not be used by anyone other than those specified parties.



George Zahul, CPA, PC
July 25, 2005

Village of Kilde Management's Discussion and Analysis

This section of the Villages annual financial report presents our discussion and analysis of the Villages financial performance during the fiscal year that ended on January 31, 2005. Please read it in conjunction with the villages financial statements, which immediately follow this section.

Financial Highlights

The 2004/05 fiscal years resulted in a Fund Balance in the General Fund of \$300,131.37. This was an expected result for the Village. The Fund Balance was slightly higher than was originally budgeted.

In total, Village revenues exceeded \$244,000 for fiscal year ended January 31, 2005. Spending over the same time period was \$225,000. In both cases that was an increase of approximately \$20,000.00 over fiscal 2004 for revenues and an increase of \$18,000.00 for spending.

Overview of the Financial Statements

This annual report consists of four parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the Village:

The first two statements are district-wide financial statements that provide both short-term and long-term information about the Villages overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the Villages government, reporting the Villages operations in more detail than the district-wide statements.

Government-Wide Statements

The Government-wide statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. The statements of net assets include all of the Villages assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Villages net assets and how they have changed. Net assets – the difference between the Villages assets and liabilities – are one way to measure the Villages financial health or position.

Village of Kilde Management's Discussion and Analysis

The government-wide financial statements of the Village are divided into categories:

Governmental Activities – Most of the Villages basic services are included here, such as public safety, public works, and general administration. Property taxes, state-shared revenue, and charges for services provided most of the funding.

Business-type Activities – The Village has a sewer system and charges fees to customers to help cover the costs of the services it provides. The Villages sewer system is treated as a business-type activity.

Fund Financial Statements

The fund financial statements provide more detailed information about the Villages funds, focusing on its most significant or "major" funds – not the Village as a whole. Funds are accounting devices the Village uses to keep track of specific sources of funding and spending for particular purposes:

Some funds are required by State law and by bond covenants.

The Village establishes other funds to control and manage money for particular purposes.

The Village has two types of funds:

Governmental Funds – Most of the Villages basic services are included in governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out, and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Villages programs.

Proprietary Funds – Services for which the Village charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long-term and short-term financial information.

Village of Kinde Management's Discussion and Analysis

Financial Analysis of the Village as a Whole

Net Assets

Village net assets increased during the fiscal 2005. Depreciation of Village assets, \$20,830, as opposed to no new purchases also had an impact.

Village of Kinde

	<u>2005</u>
Current and other Assets	\$ 516,686
Capital Assets, Less Accumulated Depreciation	<u>335,984</u>
Total Assets	\$ 852,670
Other Liabilities	<u>7,930</u>
Total Liabilities	\$ 7,930
<u>Net Assets:</u>	
Invested in Capital Assets net of Related Debt	\$ 70,129
Other	65,830
Unrestricted	<u>708,781</u>
Total net Assets (deficit)	\$ 844,740

Changes in Village of Kinde Net Assets

	<u>2005</u>
<u>Revenues</u>	
<u>General Revenues</u>	
Property Taxes	\$ 101,080
State Revenue Sharing	105,583
Other	<u>94,520</u>
Total Revenues	\$ 301,163
<u>Expenses</u>	
General Government	\$ 36,110
Public Services	54,068
Sanitation and Sewer	47,378
Roads	84,155
Miscellaneous	54,737
<u>Business Type Activities</u>	
Unallocated Depreciation	<u>20,830</u>
Total Expenses	<u>\$ 297,278</u>
Increase in Net Assets	<u>\$ 3,885</u>

Village of Kinde

Management's Discussion and Analysis

Governmental Activities

Revenues for governmental activities totaled \$301,163 in 2005. A total of \$101,080 was in the form of property tax collections, and increase of \$400 over 2004. This increase is due to the continuing growth in the tax base. State-shared revenues continue to be of concern. While it provided \$105,564, we are uncertain what will happen in 2006 given the State's financial difficulties. Charges for services, primarily for sewer and refuse operations, generated \$74,450.

Financial Analysis of the Villages Funds & Budgets

The General Fund ended 2005 with a fund balance of \$363,261. Several factors affected operating results. Tax collections were \$101,080 for 2005, which is an increase of \$400 over 2004. Additionally, other revenue was \$143,765 in 2005, which is an increase of \$20,000 over 2004. Total revenues in the General Fund of \$244,844 exceeded expenditures of \$225,172 by \$19,672 and increased fund balance by the same amount.

The General Fund budget is amended throughout the year as deemed necessary. This is primarily done to prevent expenditures from exceeding the budget. With that in mind, the General Fund expenditures were 84 percent of budget. With the exception of the previously mentioned items, no major General Fund areas were significantly under or over budget.

Capital Assets and Debt

The Village did not make any capital purchases during the year.

Factors Bearing on the Villages Future

The village currently accesses two types of taxes on for General Operating and one for streets. The streets millage has been mainly used for reconstruction of existing streets and has been sufficient to meet the needs of the Village.

The sewer operating fund and the sanitation fund balances are at an acceptable level and no fee increases are being anticipated in the near future.

At this time the Village has taken the preliminary steps to look into financing for a Village wide water distribution system. The water pipeline from Port Austin to Bad Axe runs on the west Village limits and water is suppose to be available late this year. At this time the Council is planning a Public Hearing to gage the number of residence in favor of the project, however any matters regarding financing of this will be at least three to five years down the road.

Village of Kinde Management's Discussion and Analysis

Contacting the Villages Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Villages finances and to demonstrate the Villages accountability for the money it receives. If you have questions about this report or need additional information, contact in writing the Business Office, Village of Kinde, 405 Main Street, Kinde, MI 48445.

Village of Kinde
Statement of Net Assets
January 31, 2005

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Assets			
Current Assets			
Cash and Investments	\$ 355,261.04	\$ 138,079.03	\$ 493,340.07
Accounts Receivable	8,888.58	9,153.10	18,041.68
Prepaid Insurance	3,568.30	0.00	3,568.00
Due From Other Governmental Units	1,738.40	0.00	1,738.40
Total Current Assets	<u>369,456.02</u>	<u>147,232.13</u>	<u>516,688.15</u>
Property and Equipment			
Property and Equipment	224,092.04	901,059.31	1,025,151.35
Less: Accumulated Depreciation	<u>(153,963.00)</u>	<u>(535,204.00)</u>	<u>(689,167.00)</u>
Net Property and Equipment	<u>70,129.04</u>	<u>265,855.31</u>	<u>335,984.35</u>
Total Assets	439,585.06	413,087.44	852,672.50
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	4,182.21	0.00	4,182.21
Accrued Payroll and Taxes	2,009.98	0.00	2,009.98
Due To Other Governmental Units	0.00	1,738.40	1,738.40
Total Current Liabilities	<u>6,192.19</u>	<u>1,738.40</u>	<u>7,930.59</u>
Long - Term Liabilities			
	0.00	0.00	0.00
Total Liabilities	<u>6,192.19</u>	<u>1,738.40</u>	<u>7,930.59</u>
Net Assets			
Invested in capital assets net of related debt	70,129.04	0.00	70,129.04
Unrestricted	363,261.83	345,519.04	708,780.87
Depr Transferred from Operations	0.00	(159,658.00)	(159,658.00)
Contributions in Aid	0.00	225,486.00	225,486.00
Total Net Assets	<u>\$ 433,390.87</u>	<u>\$ 411,349.04</u>	<u>\$ 844,739.91</u>

The accompanying notes are an integral part of the financial statements.

Village of Kilde
Statement Of Activities
For the Year Ended January 31, 2005

Governmental Activities

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
	<u>Program Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Revenue and Changes in Net Assets</u>
Governmental Activities				
General Government	\$ 36,109.63	\$ 0.00	\$ 0.00	\$ (36,109.63)
Public Safety	12,439.95	0.00	0.00	(12,439.95)
Public Works	26,636.58	0.00	0.00	(26,636.58)
Public Buildings and Grounds	10,236.01	59.35	0.00	(10,076.66)
Recreation and Culture	4,755.55	460.00	0.00	(4,295.55)
Sanitation	21,757.99	22,455.03	0.00	697.04
Roads	24,155.29	0.00	0.00	(24,155.29)
Sewer Operations	25,620.63	51,995.91	0.00	26,375.28
Unallocated Depreciation	20,830.00	0.00	0.00	(20,830.00)
Miscellaneous	54,736.25	0.00	0.00	(54,736.25)
Total Governmental Activities	<u>\$ 297,227.91</u>	<u>\$ 75,070.29</u>	<u>\$ 0.00</u>	<u>(222,207.02)</u>
General Revenues				
Property Taxes General				101,079.65
State Revenue Sharing				105,564.12
Investment Earnings				7,754.58
County Revenue Sharing				6,280.00
Other				5,414.68
Total General Revenues				<u>226,093.03</u>
Change in Net Assets (Deficit)				3,885.11
Net Assets Beginning of Year				<u>840,854.50</u>
Net Assets End of Year				<u>\$ 844,739.61</u>

The accompanying notes are an integral part of the financial statements.

Village of Kinde
Combined Balance Sheet
All Fund Types
January 31, 2005

	<u>Governmental Fund Types</u>		<u>Proprietary</u> <u>Fund Type</u>	<u>Total</u>
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Sewer</u> <u>Operating</u>	<u>(Memorandum</u> <u>Only)</u>
Assets				
Cash and Investments	\$ 287,004.34	\$ 68,256.70	\$ 138,079.03	\$ 493,340.07
Account Receivable	8,888.58	0.00	9,153.10	18,041.68
Due from Special Revenue Funds	5,126.24	0.00	0.00	5,126.24
Due from Sewer Fund	1,738.40	0.00	0.00	1,738.40
Prepaid Insurance	3,566.00	0.00	0.00	3,566.00
Land, Building, and Equip-net	0.00	0.00	265,855.31	265,855.31
Total Assets	<u>\$306,323.56</u>	<u>\$ 68,256.70</u>	<u>\$413,087.44</u>	<u>\$ 787,667.70</u>
Liabilities and Fund Equity				
Current Liabilities				
Account Payable	\$ 4,182.21	\$ 0.00	\$ 0.00	\$ 4,182.21
Salaries and Fringes Payable	2,009.98	0.00	0.00	2,009.98
Due to General Funds	0.00	5,126.24	1,738.40	6,864.64
Total Liabilities	<u>6,192.19</u>	<u>5,126.24</u>	<u>1,738.40</u>	<u>13,056.83</u>
Fund Equity				
Contributions & Grants in aid of Construction	0.00	0.00	225,488.00	225,488.00
Less Depreciation transferred from operations	0.00	0.00	(159,658.00)	(159,658.00)
Fund Balances:				
Retained Earnings	0.00	0.00	345,519.04	345,519.04
Unreserved	<u>300,131.37</u>	<u>63,130.46</u>	<u>0.00</u>	<u>363,261.83</u>
Total Fund Equity	<u>300,131.37</u>	<u>63,130.46</u>	<u>411,349.04</u>	<u>774,610.87</u>
Total Liabilities and Fund Equity	<u>\$306,323.56</u>	<u>\$ 68,256.70</u>	<u>\$413,087.44</u>	<u>\$ 787,667.70</u>

The accompanying notes are an integral part of the financial statements.

Village of Kinde
Combined Statement of Revenue, Expenditures and
Change in Fund Balance - All Fund Types
For the Year Ended January 31, 2005

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Memorandum Only</u>
Revenues			
Taxes-Current	\$ 101,079.65	\$ 0.00	\$ 101,079.65
State Sources and County Sources	59,540.00	52,304.12	111,844.12
Intergovernmental	51,431.65	0.00	51,431.65
Garbage Collections	22,455.03	0.00	22,455.03
Interest	1,089.95	917.91	5,037.86
Miscellaneous Revenue	6,247.84	0.00	6,247.84
Total Revenues	<u>244,844.12</u>	<u>53,252.03</u>	<u>298,096.15</u>
Expenditures			
Legislative	4,440.00	0.00	4,440.00
General Government	31,669.63	0.00	31,669.63
Streets	0.00	120,295.10	120,295.10
Public Buildings and Grounds	10,236.01	0.00	10,236.01
Public Safety	12,439.95	0.00	12,439.95
Public Works	26,636.58	0.00	26,636.58
Recreation	1,755.56	0.00	1,755.56
Garbage	21,757.99	0.00	21,757.99
Other	54,736.25	0.00	54,736.25
Total Expenditures	<u>166,671.97</u>	<u>120,295.10</u>	<u>286,967.07</u>
Excess of Revenues over Expenditures	78,172.15	(67,043.07)	11,129.08
Other Financing Sources (Uses)			
Operating Transfers In	0.00	64,000.00	64,000.00
Operating Transfers out	(58,500.00)	(7,500.00)	(66,000.00)
Total Other Financing Sources (Uses)	<u>(58,500.00)</u>	<u>56,500.00</u>	<u>(2,000.00)</u>
Excess of Revenues and Other Sources Over(Under)Expenditures and Other Uses	<u>19,672.15</u>	<u>(10,543.07)</u>	<u>9,129.08</u>
Fund Balance Beginning of Year	<u>200,456.22</u>	<u>73,673.53</u>	<u>354,132.75</u>
Fund Balance End of Year	<u>\$300,131.37</u>	<u>\$ 63,130.46</u>	<u>\$ 363,261.83</u>

The accompanying notes are an integral part of the financial statements.

Village of Kinde
Proprietary Fund Type - Sewer Operating Fund
Statement of Revenues, Expenses and Changes in
Retained Earnings Budget and Actual
For the Year Ended January 31, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Operating Revenues			
Sewer Fees	\$ 50,800.00	\$ 51,995.81	\$ 1,395.81
Interest	2,000.00	2,502.81	502.81
Total Operating Revenues	<u>52,800.00</u>	<u>54,498.62</u>	<u>1,698.62</u>
Operating Expenses			
Wage Reimbursements	10,500.00	10,160.05	339.95
Collection Expense-Office Supplies	700.00	597.00	103.00
Materials-Maintenance	4,000.00	328.54	3,671.46
Insurance	100.00	0.00	100.00
Utilities	1,420.00	1,243.53	176.07
Equipment Repairs	11,200.00	10,080.54	210.46
Depreciation	14,000.00	13,896.00	104.00
Equipment Rental	6,000.00	5,131.78	868.22
Membership and Dues	250.00	0.00	250.00
Bank Charges	250.00	142.65	107.35
Schooling, Mileage, etc.	200.00	0.00	200.00
Professional Fees	2,500.00	2,380.00	120.00
Office Supplies	100.00	0.00	100.00
Total Operating Expenses	<u>51,220.00</u>	<u>44,869.49</u>	<u>6,350.51</u>
Operating Income (loss)	1,380.00	9,629.33	8,249.33
Other Income (Expense)			
Operating Transfers In	<u>2,000.00</u>	<u>2,000.00</u>	<u>0.00</u>
Net Income (loss) From Operations	<u>\$ 3,380.00</u>	<u>11,629.33</u>	<u>8,249.33</u>
Add: Transfer of depreciation on assets acquired with contributions and grants in aid of construction to contributed equity		<u>3,957.00</u>	
Net Income (Loss)		15,586.33	
Retained Earnings Beginning of Year		<u>320,332.71</u>	
Retained Earnings End of Year		<u>\$ 345,519.04</u>	

The accompanying notes are an integral part of the financial statements.

Village of Kinde
Reconciliation of Fund Balances of Government Funds
to Net Assets of Government Activities
For the Year Ended January 31, 2005

Fund Balances Total Governmental Funds \$ 774,310.67

Amounts reported for governmental activities in the statement of activities
are different because

Capital assets used in governmental activities are not financial resources
and are not reported in the funds

Property and Equipment	224,592.04
Less Accumulated Depreciation	(163,963.00)

Accrued Interest on debt is not recorded in governmental funds until it is paid

Accrued Interest Payable Beginning of Year	0.00
Accrued Interest Payable End of Year	0.00
Other	0.00

Net Assets of Governmental Activities \$ 844,735.91

The accompanying notes are an integral part of the financial statements.

Village of Kinde
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended January 31, 2005

Net Change in Fund Balances Total Governmental Funds **\$ 24,715.41**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures in the year incurred and depreciation is recorded for assets in the statement of activities:

Depreciation Expense	(20,830.00)
Capital Outlay	0.00

Accrued interest on long-term debt is recorded in the statement of activities when it is not recorded in governmental funds until it is paid:

Accrued Interest Payable Beginning of Year	0.00
Accrued Interest Payable End of Year	0.00
Other	0.00

Proceeds and repayments of principal on long-term debt are revenues and expenditures in the governmental funds, but not in the statement of activities:

Proceeds from new Debt	0.00
------------------------	------

Change in Net Assets of Governmental Activities **\$ 3,885.41**

The accompanying notes are an integral part of the financial statements.

Village of Kinde
Proprietary Fund Type Sewer Operating Fund
Statement of Cash Flows
For The Year Ended January 31, 2005

Cash Flows From Operating Activities	
Net Income (Loss)	\$ 15,586.33
Adjustments to reconcile Net Income (Loss) to net Cash provided by (used in) operating activities:	
Depreciation and Amortization	9,939.00
Losses (Gains) on sales of Fixed Assets	0.00
Decrease (Increase) in Operating Assets:	
Accounts Receivable	(807.00)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(96.12)
Accrued Liabilities	0.00
Total Adjustments	<u>9,035.88</u>
Net Cash Provided By (Used in) Operating Activities	24,622.21
Cash Flows From Investing Activities	
Proceeds From Sale of Fixed Assets	<u>0.00</u>
Net Cash Provided By (Used in) Investing Activities	0.00
Cash Flows From Financing Activities	
Net Cash Provided By (Used in) Financing Activities	<u>0.00</u>
Net Increase (Decrease) In Cash and Cash Equivalents	24,622.21
Cash and Cash Equivalents Beginning of Year	<u>113,456.82</u>
Cash and Cash Equivalents End of Year	<u>\$ 138,079.03</u>

The accompanying notes are an integral part of the financial statements.

Village of Kilde
Notes to Financial Statements
January 31, 2005

Note 1 - Summary of Significant Accounting Policies:

The accounting policies of the Local Governmental Unit conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Local Governmental Unit:

A. Reporting Entity

The Local Governmental Unit is governed by an elected council (Board). The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non fiduciary activities of the primary government and its component units. For the most part, the effect of inter fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the government's expendable financial resources and the related current liabilities are accounted for through governmental funds.

The Government reports the following major governmental fund:

The general fund is the Government's primary operating fund. It accounts for all financial resources of the Government, except those required to be accounted for in another fund.

Village of Kilde
Notes to financial statements
January 31, 2005

Other Non-Major Funds

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The Government accounts for its major and local street activities in the special revenue funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of inter fund activity has been eliminated from the district-wide financial statements.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted State aid.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities.

Village of Kilde
Notes to financial statements
January 31, 2005

Proprietary funds distinguish operating revenue and expenses from non operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with and proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes the portion of tap fees intended to recover current cost (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as non operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non operating revenue and expenses.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payable's

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect cost applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

The revenue bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, as well as amounts on deposit at the county being held for the construction or debt service of the Local Unit of Government's water and sewer lines.

Village of Kinde
Notes to financial statements
January 31, 2005

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year, \$xxx of interest expense was capitalized as part of the cost of assets under construction.

Property, plant and equipment is depreciated using the straight-line method over its' estimated useful life.

Compensated Absences (Vacation and Sick Leave)

It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Village of Kinde
Notes to financial statements
January 31, 2005

Comparative Data/Reclassifications

Comparative total data for the prior year has not been presented in the fund financial statements.

Note 2 - Stewardship, Compliance, and Accountability:

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and State law for all Government Funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the Government to have its budget in place by the beginning of its fiscal year. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits governments to amend their budgets during the year. During the year, the budget was amended in a permissible manner. There were no significant amendments during the year.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the Government incurred expenditures in certain budgeted funds which were in excess of the amounts budgeted, as shown in the statements of Actual vs Budget.

Note 3 - Deposits and Investments:

Deposits

The Government's cash accounts consist of various interest bearing checking and savings accounts. At year-end, the carrying amount of the Government's deposits was \$89,865.42 and the bank balance was \$90,994.02.

Village of Kinde
Notes to financial statements
January 31, 2005

Investments

State statutes authorize the Government to invest in obligations of the U.S. Treasury and U.S. agencies, deposit agreements with federally insured financial institutions within the State of Michigan, high grade commercial paper, repurchased obligations of the U.S. government and U.S. agencies, banker's acceptances of U.S. banks and mutual funds comprises of the above authorized investments. As of January 31, 2005, the Government investments consisted of certificates of deposit and Money Market Funds which the carrying amount and the bank balance was \$430,474.65.

The total Government cash and investments amounted to \$493,340.07 as of January 31, 2005 and \$200,000.00 was covered by Federal Depository Insurance.

Note 4 - Receivables:

Receivables as of year end for the governments individual major funds and the other non major funds in the aggregate are shown in the respective statements.

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

Note 5 - Employee Retirement and Benefits Systems:

The Village of Kinde participates in a plan by the Municipal Employees' Retirement System (MERS), which is administered by the State of Michigan. The system provides the following provisions: Normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, non duty-connected death and post-retirement adjustments to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by the sum of 1.5 percent time the final average compensation (FAC) with a maximum benefit of 80 percent of FAC. The most recent period for which actuarial data was available for the fiscal year ended December 31, 1997.

MERS was organized pursuant to Section 12a of Act#156, Public Acts of 1851 (MSA 5.333(a); MCLA 46.12 (a)), as amended, State of Michigan. MERS is regulated under Act No. 427 of the Public Acts of 1984, section of which have been approved by the State Pension Commission. MERS issues a publicly available financial report that includes financial statement and required supplementary information for the systems. That report may be obtained by writing to the MERS at 447 North Canal Street, Lansing, Michigan 48917-9755.

The employee of Village of Kinde contributes 5% of his gross wages to the retirement plan. For the fiscal year ended January 31, 2005, \$288.13 was contributed by the employee and \$2,055.04 was contributed by the Village to MERS.

Village of Kinde
Notes to financial statements
January 31, 2005

Note 6 - Transfers:

The General Fund transferred \$56,500.00 to the Local Street Fund.

The General Fund transferred \$2,000.00 to the Sewer Operating Fund.

The Major Street Fund transferred \$7,500.00 to the Local Street Fund.

Note 7 - Contingent Liabilities:

Contingent Liability - Unemployment Compensation Costs

The Government has elected to be treated as a reimbursing employer for unemployment compensation purposes. Any unemployment benefits paid to Government employees by the Michigan unemployment fund must be reimbursed by the Government on a dollar for dollar basis. The contingent liability for unemployment benefits is not recognized in the accompanying financial statements. The expense is recognized at the time the Government becomes liable to the State of Michigan for unemployment benefits paid.

Required Supplemental Information

Village of Kinde
Budgetary Comparison Schedule
General Fund
For the Year Ended January 31, 2005

	<u>General Fund</u>				
			<u>Variance</u>		<u>Variance</u>
			<u>Original</u>		<u>Actual</u>
			<u>Compared to</u>		<u>Compared to</u>
			<u>Final</u>		<u>Final</u>
	<u>Original</u>	<u>Final</u>	<u>Increase</u>	<u>Actual</u>	<u>Favorable</u>
	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>		<u>(Unfavorable)</u>
Revenues					
Taxes-Current	\$ 95,000.00	\$ 95,000.00	\$ 0.00	\$ 101,079.65	\$ 6,079.65
State Sources	50,000.00	50,000.00	0.00	59,540.00	9,540.00
Intergovernmental	35,000.00	35,000.00	0.00	51,431.65	16,431.65
Garbage Collections	22,800.00	22,800.00	0.00	22,455.03	(344.97)
Other	3,700.00	3,700.00	0.00	6,247.84	2,547.84
Interest	4,000.00	4,000.00	0.00	4,080.95	80.95
Total Revenues	<u>210,500.00</u>	<u>210,500.00</u>	<u>0.00</u>	<u>244,844.12</u>	<u>34,344.12</u>
Expenditures					
Legislative	6,500.00	4,500.00	(2,000.00)	4,440.00	60.00
General Government	43,662.00	34,362.00	(9,300.00)	31,669.63	2,692.37
Public Buildings and Grounds	10,200.00	11,700.00	1,500.00	10,236.01	1,463.99
Public Safety	15,000.00	15,000.00	0.00	12,439.95	2,560.05
Public Works	30,700.00	33,200.00	2,500.00	26,636.58	6,563.42
Recreation	9,600.00	10,000.00	400.00	4,755.56	5,244.44
Garbage	23,000.00	23,000.00	0.00	21,757.00	(1,242.00)
Other	41,950.00	59,350.00	(17,400.00)	54,736.25	(4,613.75)
Total Expenditures	<u>180,512.00</u>	<u>191,112.00</u>	<u>10,600.00</u>	<u>166,671.97</u>	<u>24,440.03</u>
Excess of Revenues over Expenditures	<u>29,988.00</u>	<u>19,388.00</u>	<u>(10,600.00)</u>	<u>78,172.15</u>	<u>55,784.15</u>
Other Financing Sources (Uses)					
Operating Transfers in	0.00	0.00	\$ 0.00	0.00	0.00
Operating Transfers out	(74,000.00)	(69,000.00)	\$ 5,000.00	(58,500.00)	10,500.00
Total Other Financing Sources (Uses)	<u>(74,000.00)</u>	<u>(69,000.00)</u>	<u>5,000.00</u>	<u>(58,500.00)</u>	<u>10,500.00</u>
Excess of Revenues and Other					
Over(Under)Expenditures and Other Us	<u>\$ (44,012.00)</u>	<u>\$ (49,612.00)</u>	<u>(5,600.00)</u>	<u>19,672.15</u>	<u>\$ 69,284.15</u>
Fund Balance at Beginning of Year				<u>280,459.22</u>	
Fund Balance at End of Year				<u>\$ 300,131.37</u>	

The accompanying notes are an integral part of the financial statements.

Additional Supplemental Information

Village of Kinde
Special Revenue Funds
Combined Balance Sheet
January 31, 2005

	<u>Local Street Fund</u>	<u>Major Street Fund</u>	<u>Total</u>
Assets			
Current Assets			
Cash	\$ 12,241.36	\$ 56,015.34	\$ 68,256.70
Total Current Assets	<u>12,241.36</u>	<u>56,015.34</u>	<u>68,256.70</u>
Total Assets	<u>\$ 12,241.36</u>	<u>\$ 56,015.34</u>	<u>\$ 68,256.70</u>
Liabilities and Fund Equity			
Current Liabilities			
Due to General Fund	\$ 1,868.85	\$ 3,257.39	\$ 5,126.24
Total Current Liabilities	<u>1,868.85</u>	<u>3,257.39</u>	<u>5,126.24</u>
Total Liabilities	<u>1,868.85</u>	<u>3,257.39</u>	<u>5,126.24</u>
Fund Equity			
Unreserved	<u>10,372.51</u>	<u>52,757.95</u>	<u>63,130.46</u>
Total Liabilities and Fund Equity	<u>\$ 12,241.36</u>	<u>\$ 56,015.34</u>	<u>\$ 68,256.70</u>

The accompanying notes are an integral part of the financial statements.

Village of Kinde
Special Revenue Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended January 31, 2005

	<u>Local Street</u>		<u>Variance</u>	<u>Major Street</u>		<u>Variance</u>	<u>Total</u>
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u> <u>(Unfavorable)</u>	
Revenues							
Gas and Weight Tax	\$10,724.43	\$ 9,000.00	\$ 1,724.43	\$35,289.69	\$32,000.00	\$ 3,289.69	\$46,024.12
County Tax	6,280.00	6,000.00	280.00	0.00	0.00	0.00	6,280.00
Interest	86.68	100.00	(11.32)	859.23	600.00	259.23	947.91
Total Revenues	<u>17,093.11</u>	<u>15,100.00</u>	<u>1,993.11</u>	<u>36,158.92</u>	<u>32,600.00</u>	<u>3,558.92</u>	<u>53,252.03</u>
Expenditures							
Construction	77,674.08	86,000.00	9,925.92	0.00	9,250.00	9,250.00	77,674.08
Maintenance	387.04	5,660.00	5,262.96	8,403.77	18,250.00	9,846.23	8,790.81
Professional Fees	9,580.00	9,600.00	20.00	580.00	1,500.00	920.00	10,160.00
Equipment Rental	7,804.38	8,300.00	495.62	15,865.83	16,600.00	134.17	23,670.21
Total Expenditures	<u>95,445.50</u>	<u>110,150.00</u>	<u>14,704.50</u>	<u>24,849.60</u>	<u>45,100.00</u>	<u>20,250.40</u>	<u>120,295.10</u>
Excess Revenues over Expenditures	<u>(78,352.39)</u>	<u>(95,050.00)</u>	<u>16,697.61</u>	<u>11,309.32</u>	<u>(12,500.00)</u>	<u>23,809.32</u>	<u>(67,043.07)</u>
Other Financing Sources (Uses)							
Transfers From General Fund	56,500.00	66,000.00	3,500.00	0.00	0.00	0.00	56,500.00
Transfer (To) From Major Street Fund	7,500.00	17,500.00	43,000.00	(7,500.00)	(7,500.00)	0.00	0.00
Total Other Financing Sources (Uses)	<u>64,000.00</u>	<u>113,500.00</u>	<u>43,500.00</u>	<u>(7,500.00)</u>	<u>(7,500.00)</u>	<u>0.00</u>	<u>56,500.00</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(14,352.39)</u>	<u>\$18,450.00</u>	<u>\$ (32,802.39)</u>	<u>3,809.32</u>	<u>\$20,000.00</u>	<u>\$ 23,809.32</u>	<u>(10,543.07)</u>
Fund Balance Beginning of Year	<u>24,724.90</u>			<u>48,948.63</u>			<u>73,673.53</u>
Fund Balance End of Year	<u>\$10,372.51</u>			<u>\$52,757.95</u>			<u>\$63,130.46</u>

The accompanying notes are an integral part of the financial statements.

Village of Kinde
General Fund
Schedule of Revenues Actual and Budget
For the Year Ended January 31, 2005

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues			
Current Taxes	\$ 101,079.65	\$ 95,000.00	\$ 6,079.65
Interest on Delinquent Taxes	93.11	0.00	93.11
Sales Tax	59,540.00	50,000.00	9,540.00
Park Township	300.00	0.00	300.00
Equipment Rental Local Street	7,804.38	6,000.00	1,804.38
Equipment Rental Major Street	15,865.83	8,000.00	7,865.83
Equipment Rental Sewer Operation	5,131.78	5,000.00	131.78
Wage Reimb Sewer Operation	10,180.05	7,000.00	3,180.05
Wage Reimb Local Street	4,855.70	4,000.00	855.70
Wage Reimb Major Street	7,613.91	5,000.00	2,613.91
Garbage Collections	22,455.03	22,800.00	(344.97)
Interest on Delinquents	120.70	0.00	120.70
Park Rent	130.00	300.00	(140.00)
Building Permits	95.00	100.00	(5.00)
Fines & Forfeits	64.35	300.00	(235.65)
Interest on Investments	4,089.95	4,000.00	89.95
Zoning Fees	0.00	200.00	(200.00)
Other Revenue	4,914.88	2,000.00	2,914.88
Twp Donations-Park Const	500.00	800.00	(300.00)
Total Revenues	<u>\$ 244,644.12</u>	<u>\$ 210,600.00</u>	<u>34,044.12</u>

The accompanying notes are an integral part of the financial statements.

Village of Kinde
General Fund
Schedule of Expenditures Actual and Budget
For the Year Ended January 31, 2005

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u>
Legislative			
Legislative-Council Fees	\$ 4,440.00	\$ 4,500.00	\$ 60.00
Total Legislative	<u>\$ 4,440.00</u>	<u>\$ 4,500.00</u>	<u>60.00</u>
General Government			
Gen.Gov. Clerical	\$ 10,920.00	\$ 11,000.00	\$ 80.00
Gen. Gov. Ambulance	1,575.00	1,600.00	25.00
Gen.Gov. Clerk	1,300.00	1,500.00	200.00
Gen. Gov. Office Supplies	946.75	1,300.00	353.25
Gen. Gov. Telephone	1,732.99	1,800.00	67.31
Gen. Gov Professional Fees	5,741.01	6,000.00	258.19
Gen. Gov. Zoning	1,939.00	2,000.00	61.00
Gen. Gov. Treasurer	3,589.91	3,600.00	10.09
Gen. Gov. TaxCollection	632.21	1,100.00	467.79
Gen Gov. Assessor	0.00	12.00	12.00
Gen. Gov. Membership & Dues	874.30	900.00	26.00
Gen. Gov. Ordinances	0.00	50.00	50.00
Gen. Gov. Other exp	981.51	1,000.00	18.49
Gen. Gov. Office Furniture	0.00	500.00	500.00
Gen Gov. Computer Supplies	1,436.75	2,000.00	563.25
Total General Government	<u>\$ 31,669.53</u>	<u>\$ 34,362.00</u>	<u>2,692.37</u>
Public Buildings and Grounds			
Bldg & Grnd Maint Salaries	\$ 6,999.32	\$ 7,000.00	\$ 0.38
Bldg & Grnd Supplies	175.03	500.00	324.97
Bldg & Grnd Heat, Light, Sewer	2,947.36	3,500.00	552.64
Bldg & Grnd Garbage Pickup	114.00	200.00	86.00
Bldg & Grnd Tools	0.00	500.00	500.00
Total Public Buildings and Grounds	<u>\$ 10,236.31</u>	<u>\$ 11,700.00</u>	<u>1,463.69</u>
Public Safety			
Safety Salaries	\$ 11,986.50	\$ 12,000.00	\$ 34.50
Safety Auto Maint & Operation	109.25	2,000.00	1,896.75
Safety Supplies	371.20	500.00	128.80
Safety Uniforms	0.00	500.00	500.00
Total Public Safety	<u>\$ 12,439.35</u>	<u>\$ 15,000.00</u>	<u>2,560.65</u>
Public Works			
Public Works Street Lighting	\$ 11,191.37	\$ 12,000.00	\$ 808.93
Public Works Christmas Decoration	1,081.12	1,200.00	118.88
Public Works Equipment Maint.	1,370.80	4,500.00	3,129.20

The accompanying notes are an integral part of the financial statements.

Village of Kinde
General Fund
Schedule of Expenditures Actual and Budget
For the Year Ended January 31, 2005

	<u>Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable)</u>
Public Works Gas & Oil	2,520.95	3,000.00	479.01
Public Works Supplies	1,143.55	3,000.00	1,856.45
Public Works Salaries & Wages	8,402.00	8,500.00	98.00
Public Works Uniforms	927.05	1,000.00	72.95
Total Public Works	<u>\$ 26,636.56</u>	<u>\$ 33,200.00</u>	<u>6,563.42</u>
Recreation			
Recreation Salaries & Wages	\$ 3,821.50	\$ 4,000.00	\$ 78.50
Recreation Repairs & Maintenance	0.00	1,500.00	1,500.00
Recreation Supplies	0.00	400.00	400.00
Recreation Electricity	495.06	800.00	304.94
Recreation Supplies & Materials	0.00	500.00	500.00
Recreation Sewer	336.00	600.00	264.00
Recreation Insurance	0.00	200.00	200.00
Recreation Construction	0.00	2,000.00	2,000.00
Total Recreation	<u>\$ 4,256.56</u>	<u>\$ 10,000.00</u>	<u>5,743.44</u>
Other			
Park Rent Refunds	\$ 60.00	\$ 400.00	\$ 340.00
General Fund Salaries	15,777.66	15,900.00	122.32
Other Insurance	9,629.20	10,000.00	370.80
Other Employee Benefit Fica	6,034.83	6,100.00	65.17
Other Employee Benefit Retirement	2,056.04	2,700.00	644.96
Other Employee Benefit Health	8,839.36	9,000.00	160.62
Employee Benefit Medicare Portion FICA	987.19	1,200.00	212.81
Employee Benefit Life Insurance	150.00	150.00	0.00
Employee Benefit Disability	198.12	400.00	201.88
Taxes Unemployment	102.40	500.00	397.60
Drain at Large	1,437.41	3,000.00	1,562.59
Garbage Expense	21,558.99	22,000.00	441.01
Garbage Bookkeeping	199.00	1,000.00	801.00
Testing Contaminated Waste	9,465.00	10,000.00	535.00
Total Other	<u>\$ 76,434.24</u>	<u>\$ 82,350.00</u>	<u>5,855.76</u>
Capital Outlay			
Capital Outlay	\$ 0.00	\$ 5,000.00	\$ 5,000.00
Total Capital Outlay	<u>\$ 0.00</u>	<u>\$ 5,000.00</u>	<u>5,000.00</u>
Transfers			
Transfer to Local Street	\$ 56,520.00	\$ 66,000.00	\$ 9,520.00
Transfer to Vehicle Replacement	0.00	1,000.00	1,000.00
Transfer to Sewer	2,000.00	2,000.00	0.00
Total Transfers	<u>\$ 58,520.00</u>	<u>\$ 69,000.00</u>	<u>10,520.00</u>

The accompanying notes are an integral part of the financial statements.

Village of Kinde
General Fund
Schedule of Expenditures Actual and Budget
For the Year Ended January 31, 2005

	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Total Expenditures	\$ 225,171.97	\$ 265,112.00	\$ 39,940.03

The accompanying notes are an integral part of the financial statements.

Village of Kinde
Tax Collection Agency Fund
Schedule of Changes
For the Year Ended January 31, 2005

Additions

Current Tax Collections	\$ <u>98,158.53</u>
Total Additions	<u>98,158.53</u>

Deductions

Tax Collections Operating	(69,771.29)
Tax Collections Streets	(26,370.74)
Administrative fees	<u>(1,016.50)</u>
Net Additions over Deductions	<u>\$ 0.00</u>

The accompanying notes are an integral part of the financial statements.